



October 2025

MONTHLY FUND PERFORMANCE UPDATE AIA DANA PROGRESIF

Investment Objective

This Fund focuses on Shariah-approved securities listed on Bursa Malaysia and Islamic debt securities to maximize medium to long-term capital appreciation on your investment. The Fund is suitable for investors who are willing to take moderate risk to achieve a reasonable return.

Notice: Please refer to the Fund Fact Sheet for more information about the Fund.

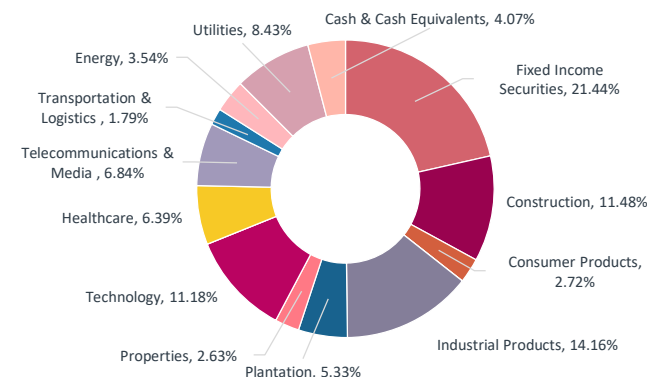
Fund Details

Unit NAV (31 October 2025)	: RM 3.36060
Fund Size (31 October 2025)	: RM 544.278 million
Fund Currency	: Ringgit Malaysia
Fund Inception	: 3 March 2000
Offer Price at Inception	: RM1.00
Fund Management Charge	: 1.40% p.a.
Investment Manager	: AIA Bhd.
Basis of Unit Valuation	: Net Asset Value
Frequency of Unit Valuation	: Daily

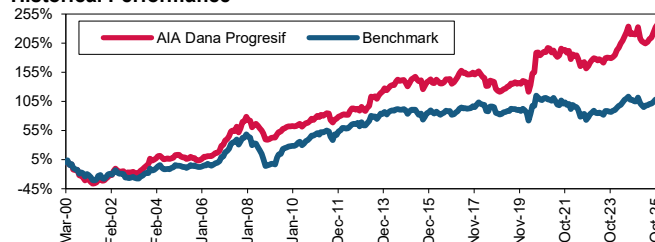
Top Holdings

1	TENAGA NASIONAL BHD	7.92%
2	MALAYSIA GOVERNMENT SECURITIES	7.43%
3	IHH HEALTHCARE BHD	5.26%
4	GAMUDA BHD	4.97%
5	PRESS METAL ALUMINIUM HOLDINGS BHD	4.00%

Asset and Sector Allocation



Historical Performance



Cumulative Performance	1-Mth	6-Mth	1-Year	3-Year	5-Year	Since Inception
Fund ^a	1.05%	10.39%	5.15%	26.48%	17.12%	236.06%
Benchmark ^a	0.45%	5.81%	2.24%	17.64%	1.13%	109.25%
Excess	0.60%	4.57%	2.91%	8.85%	15.99%	126.81%

^a Calculation of past performance is based on NAV-to-NAV. This is strictly the performance of the investment fund, and not the returns earned on the actual premiums/contributions paid of the investment-linked product.

^{*} 70% FBM Emas Shariah (Source: Bursa Malaysia) + 30% GII ALL Index (Source: RAM QuantShop @ www.quantshop.com)

Notice: Past performance of the Fund is not an indication of its future performance.

Market Review

The FBMS ("Index") gained 0.7% Month-on-Month ("MoM") to close at 12,098 pts in October 2025. The Index underperformed the MSCI Asia ex Japan Index, which gained 4.0% MoM in Malaysian ringgit ("MYR") terms over the same period. Foreign investors were net sellers of Malaysian equities with net sell flows of MYR2.73 billion while local institutions remained net buyers amounting to MYR3.60 billion during the month. Bursa Malaysia's average daily transaction value ("ADTV") rose 8.4% MoM to MYR2.9 billion in October 2025. During the month, Nestle Malaysia (+17.4%), IHH Healthcare (+9.3%), and PPB Group (+9.2%) were the key gainers while key detractors were Sime Darby (-10.1%), Gamuda (-8.9%) and Petronas Chemicals (-7.8%). Sector wise, Technology (+9.8%), Consumer (+3.6%) and Healthcare (+2.9%) were the key outperformers, while Construction (-6.0%), Property (-2.7%) and Utilities (-1.7%) were the key detractors. Major news during the month included the announcement of Budget 2026 by the Prime Minister which featured a one-off RM100 cash handout to all Malaysians aged 18 and above in February 2026, the agreement by the US and Malaysia on a reciprocal trade agreement which results in 19% tariffs on Malaysian goods to the US, and the dissolution of the Sabah State Assembly which paves the way for state elections in November 2026. Malaysia's Consumer Price Index ("CPI") rose 1.5% Year-on-Year ("YoY") in September 2025, slightly above forecasts of 1.4% and up from 1.3% in August 2025.

Government Investment Issue ("GII") yield curve bear steepened in October 2025, with the sell-off initially triggered by a disappointing 30-year Malaysian Government Securities ("MGS") 7/55 reopening auction. The bond auction printed an average yield of 4.019% with a longer-than-expected tail of 4.085%. The market weakness was compounded later by a strong 3Q2025 advanced Gross Domestic Product ("GDP") estimate, which dampened expectations of a further rate cut by Bank Negara Malaysia ("BNM"), as well as a weak 20-year MGS 5/44 auction towards the end of the month. The 25-bps cut by the US Federal Open Market Committee ("FOMC") failed to lift sentiment as US Federal Reserve ("Fed") Chair Jerome Powell sounded more hawkish than expected in the post-FOMC meeting press conference. Some dip-buying eventually emerged, which led to the partial recovery in yields. On the currency front, Malaysian ringgit ("MYR") strengthened against the US dollar ("USD") by 0.44% to MYR4.1885. GII levels as at end-October 2025 were: 3-year at 3.13% (-1 bps), 5-year at 3.24% (-), 7-year at 3.37% (+1 bps), 10-year at 3.51% (+2 bps), 15-year at 3.75% (+5 bps), 20-year at 3.91% (+10 bps) and 30-year at 4.02% (+2 bps).

Fixed income foreign net outflows totalled MYR6.8 billion in September 2025 (August 2025: +MYR3.0 billion), bringing Year-to-Date ("YTD") foreign net inflows to MYR12.1 billion. Foreign holdings in MGS and GII decreased to 20.9% in September 2025 (August 2025: 21.3%).

During the month, there was one government security auctions. The reopening auction of the 5-year GII 8/30 with a tender size of MYR5.0 billion drew a BTC ratio of 2.814x at an average yield of 3.217%.

On the economic data front, Malaysia's foreign reserves rose to USD123.6 billion as of 30 September 2025 (29 August 2025: USD122.7 billion). The reserves position is sufficient to finance 4.8 months of imports of goods and services and cover 0.9x of total short-term external debt. Malaysia's headline Consumer Price Index ("CPI") grew 1.5% Year-on-Year ("YoY") in September 2025 (August 2025: +1.3% YoY). The uptick was mainly driven by higher food prices, housing and utilities, transport, and miscellaneous goods and services. Despite the recent uptick, inflation stayed modest, averaging 1.4% in January-September 2025. Core inflation, which excludes volatile fresh food prices and price-administered goods, trended higher to a near two-year high at 2.1% in September 2025 (August 2025: 2.0%). This brings the YTD average to 1.9%. Malaysia's exports grew 12.2% YoY in September 2025 (August 2025: +1.9% YoY), driven by growth across all sectors. Imports grew 7.3% YoY (August 2025: -5.9% YoY). As a result, trade surplus widened to MYR19.9 billion in September 2025 (August 2025: MYR16.1 billion). Malaysia's Industrial Production rose 4.9% YoY in August 2025 (July 2025: +4.2% YoY). The expansion was attributed to growth of the mining sector at 16.8% YoY (July 2025: +4.3% YoY) and increase in the manufacturing sector of 2.8% YoY (July 2025: +4.4% YoY), while growth in the electricity sector remained stable at 1.6% YoY (July 2025: +1.6% YoY).

Malaysia's Budget 2026 was tabled during the month. Key highlights include: 1) GDP growth forecasts of 4.0-4.5% for 2026 (2025: 4.0-4.8% growth forecast), 2) Fiscal deficit is expected to reduce to 3.5% of GDP in 2026 (2025: 3.8% of GDP), 3) Headline inflation is expected to range between 1.3-2.0% in 2026 (2025: 1.0-2.0%). The budget is mildly expansionary, with net development expenditure rising to MYR79.5 billion from MYR78.8 billion and total expenditure rising to MYR419.2 billion from MYR412.2 billion.

On the primary corporate sukuk space, notable issuances included MYR1.5 billion Air Selangor iMTN, MYR1.35 billion Pantai Holdings iMTN and MYR1.5 billion Sarawak Energy iMTN. In terms of credit ratings, MARC upgraded MBSB Bank Berhad's Structured Covered Sukuk Murabahah Tranche 4 rating to AAAIS from AA+IS, with a stable outlook. Separately, it has also revised Orkim Berhad's iMTN Programme outlook to positive from stable.

Market Outlook

We maintain a cautiously optimistic outlook for equities, as markets transition into a late-cycle phase underpinned by resilient corporate earnings, easing inflationary pressures, and growing expectations of policy normalization. The US Federal Reserve ("Fed") and other major central banks are widely anticipated to begin rate cuts in early 2026, providing a tailwind to risk assets and supporting valuation multiples. However, the pace of easing will likely be gradual, constrained by lingering inflation pressure and tight labour markets in developed markets. Emerging markets ("EM") are gaining renewed investor attention, supported by a softer US Dollar ("USD"), improving liquidity conditions and attractive relative valuations. Volatility is expected to remain elevated amid geopolitical risks, uneven policy signals, and potential profit-taking after recent rallies.

There is now greater clarity on the trade front with the announcement of the 19% reciprocal tariff rate imposed by the US on Malaysian goods. While external risks persist, Malaysia's proactive policy measures and resilient domestic fundamentals provide a constructive backdrop for the local bond market heading into 2026. A dovish global monetary stance, particularly from the Fed, is likely to support MYR and foreign inflows. Domestically, BNM reduced the overnight policy rate ("OPR") by 25 bps from 3.00% to 2.75% in July 2025 as a pre-emptive measure to preserve Malaysia's growth path during slowing inflation prospects. For now, BNM will likely keep the OPR unchanged as it awaits more economic data to guide its next policy move. That said, there remains room for BNM to further ease, perhaps beyond 2025, should there be signs of further downside risk to growth.